



General  
Services  
Administration Washington, DC 20405

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Honorable Stansfield Turner  
Director  
Central Intelligence Agency  
Washington, DC 20505

Dear Admiral Turner:

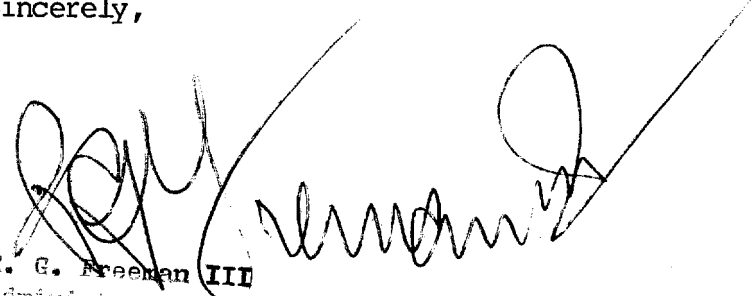
On February 22, 1979, the General Services Administration (GSA) notified you of a legislative change affecting development of the motor vehicle rental rates used by GSA's Interagency Motor Pool System (IMPS). The change amended Section 211(d) of the Federal Property and Administrative Services Act of 1949, as amended, to permit recovery of vehicle replacement costs, rather than original acquisition costs, in charges to Federal users.

In Fiscal Year 1980, monthly vehicle rates were increased by six dollars due to the implementation of replacement cost pricing. The overall monthly rate increase exceeded the six dollars because of other inflationary cost increases related to vehicle acquisitions.

For your planning purposes, we estimate that overall rates will increase by 8 percent for Fiscal Year 1981, based upon current information available. Approximately 60 percent of the increase will be due to continued implementation of replacement pricing. While the overall increase will be about 8 percent, specific vehicle types may naturally fall above or below that range. The new monthly and mileage rates will be published in a Federal Property Management Regulation bulletin at the beginning of this summer.

Any questions concerning the planned increase should be directed to Allan Beres, Commissioner, Transportation and Public Utilities Service, General Services Administration, Washington, DC 20406, telephone 357-0241.

Sincerely,



R. G. Freeman III  
Administrator

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